



I. June 2013 – Tennessee Certificate of Need Meeting

The meeting began with announcements from representatives of the Tennessee Health Services Development Agency (“Agency”) staff. Agency members Wright and Burns were reappointed to new terms on the Agency Board, and Agency member Southwick will be replaced by Dr. Mark Flora when Mr. Southwick’s term expires on June 30, 2013. Eric Harkness of the Tennessee Department of Health announced that Governor Haslam has signed the 2012 Update to the Tennessee State Health Plan. Although the plan is not yet available on the Agency’s website, a copy of the plan is available in PDF form [here](#).

During the June meeting of the Agency, the Board approved the following applications for Certificate of Need.

1. Consent Calendar: CN1304-012—LP Nashville II, LLC d/b/a **Signature Healthcare of Nashville Rehabilitation & Wellness Center, Nashville (Davidson County), Tennessee**. Cost overrun of approximately \$4,009,562 that occurred as a result of complications associated with implementing its previously approved Certificate of Need, CN1009-044A. The estimated project cost was \$4,009,562.

2. CON Review: CN1302-002—**Hendersonville Medical Center, Hendersonville (Sumner County), Tennessee**. The construction of a new fourth floor of medical/surgical beds and the initiation of neonatal intensive care services in a new six-bed level II-B neonatal surgery on the main campus of Hendersonville Medical Center located in Hendersonville (Sumner County), Tennessee. The hospital currently holds a single consolidated license for 148 general hospital beds, of which 110 are at its main Hendersonville campus and 38 are at its satellite campus at 105 Redbud Drive in Portland (Sumner County), Tennessee. The project will relocate 13 beds from the satellite campus to the main campus, resulting in 123 licensed beds at the Hendersonville campus and 25 licensed beds at the Portland satellite campus. The estimated project cost is \$32,255,000.

3. CON Review: CN1303-007—**McKendree Village, Hermitage (Davidson County), Tennessee**. The renovation, construction, and partial repositioning of 50 existing dually certified beds in addition to the modification of CN1202-010A approved for 30 dually certified nursing home beds. The nursing home’s licensed bed complement of 180 beds after implementation of CN1202-010A will not change. The estimated project cost is \$3,808,150.



4. CON Review: CN1303-008—**The Farms at Bailey Station Skilled Nursing Facility, Collierville (Shelby County), Tennessee**. The establishment of a skilled nursing facility consisting of 30 Medicare certified skilled nursing beds to be part of a continuing care retirement community (CCRC) at an estimated project cost of \$7,301,961. These beds are subject to the 2012-2013 Nursing Home Bed Pool.

5. CON Review: CN1303-009—**Maxwell Aesthetics, PLLC, Nashville (Davidson County), Tennessee**. The construction, development, and establishment of an ambulatory surgical treatment center (ASTC) limited to plastic surgery with one operating room at an estimated project cost of \$1,322,564.

6. General Counsel's Report: CN1002-010—**The Proton Therapy Center, Knoxville (Knox County), Tennessee**. Request for a 12-month extension of the expiration date from July 1, 2013, to July 1, 2014. This project was approved on May 26, 2010, for the establishment of an ASTC limited to radiation therapy; the acquisition of major medical equipment (proton therapy equipment and related components); and the initiation of outpatient proton therapy services for cancer patients. The estimated project cost is \$118,785,747.

The Board denied the following applications for Certificate of Need.

1. CON Review: CN1303-005—**Tri-Cities Holdings LLC d/b/a Trex Treatment Center, Johnson City (Washington County), Tennessee**. The establishment of a nonresidential substitution-based treatment center for opiate addiction to be located at 4 Wesley Court, Johnson City, Tennessee 37601 at an estimated project cost of \$670,000. The motion was denied with a 3-6-1 vote. Agency members Mills, Burns, Hodge, Haik, Byrd, and Johnson voted to deny the project and Agency member Gaither abstained.

The next Agency meeting will be held on July 24, 2013, at 8:30 a.m.

II. Letters of Intent and CON Applications Filed in June 2013

1. CN1306-021—CSPM Surgery Center, Chattanooga (Hamilton County), Tennessee. The establishment of a single-specialty ASTC limited to patients of Center of Spine and Pain Medicine, P.C., an established medical practice. The ASTC will provide interventional pain management services with one operating room. The estimated project cost is \$514,557.



2. CN1306-022—The Health Center of Hermitage, Nashville (Davidson County), Tennessee. The change of site and relocation of 60 of 150 beds authorized by CN1107-024A and the addition of 30 new skilled beds for a total of 90 nursing home beds certified for Medicare at an estimated project cost of \$20,142,000. These beds are subject to the 2012-2013 Nursing Home Bed Pool.

3. CN1306-020—Community Hospices of America-Tennessee, LLC d/b/a Hospice Compassus-The Highland Rim, Tullahoma (Coffee County), Tennessee. The initiation of hospice services in Decatur, Hardin, Humphreys, Perry, and Wayne counties to the existing counties of Bedford, Cannon, Coffee, Franklin, Giles, Grundy, Hickman, Lawrence, Lewis, Marshall, Maury, and Moore (pending CON for Lincoln County), at an estimated project cost of \$63,000.

4. CN1306-023—Crestwyn Health Group, LLC, Germantown (Shelby County), Tennessee. The construction and establishment of a mental health hospital providing child and adult psychiatric services, substance abuse treatment, and geriatric services consisting of 60 beds of which 15 will be designated child/teen, 15 will be designated adult, 15 will be designated substance abuse, and 15 will be designated geriatric services. The estimated project cost is \$24,197,088.

III. Projects Deemed Complete for Review at July 2013 Meeting

1. CON Review: CN1303-006—Medical Care, PLLC, Elizabethton (Carter County), Tennessee. The initiation of magnetic resonance imaging (MRI) services for the patients of Medical Care, PLLC and the acquisition of an MRI unit at 1500 West Elk Avenue, Elizabethton (Carter County), Tennessee 37643 at an estimated project cost of \$838,543.

2. CON Review: CN1303-010—Community Hospices of America-Tennessee, LLC d/b/a Hospice Compassus-The Highland Rim, Tullahoma (Coffee County), Tennessee. The initiation of hospice services in Lincoln County at an estimated project cost of \$28,000.

3. CON Review: CN1304-011—TriStar Summit Medical Center, Hermitage (Davidson County), Tennessee. The conversion of eight inpatient psychiatric beds to medical/surgical beds and the conversion of 12 inpatient psychiatric beds into a new 12-bed acute inpatient rehabilitation unit at the campus of TriStar Summit Medical Center at an estimated project cost of \$4,933,576.

4. CON Review: CN1304-013—Wellmont Cardiology Services, Inc., Kingsport (Sullivan County), Tennessee. The initiation of cardiac positron emission tomography (PET) services by acquiring an



existing PET system located in Gray, Tennessee, and relocating the unit to 2050 Meadowview Parkway, Kingsport, Tennessee 37660. The applicant will establish an outpatient diagnostic center (ODC) if required by the Tennessee Department of Health. The estimated project cost is \$1,074,000.

5. CON Review: CN1304-014—Molecular Imaging Alliance, Johnson City (Washington County), Tennessee. The relocation of an ODC with cardiac PET scanning from 830 Suncrest Drive, Suite 1, Gray, Tennessee to 701 North State of Franklin Road, Suite 1, Johnson City, Tennessee, at an estimated project cost of \$495,339.

IV. Legislative Update

The Tennessee General Assembly has completed its work for 2013 and will stand in recess until January 14, 2014. The 2013 session's work product included the continuation of the certificate of need moratorium on new nursing home beds. The moratorium prevents the addition of new nursing home beds with the exception of a statewide pool totaling 125 Medicare beds, but an applicant may only request up to 30 beds at a time from the pool. The moratorium does not apply to replacement facilities. The extension of the moratorium will expire on July 1, 2014. (Chap. 311, effective July 1, 2013.)